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GENERAL BIGNONE SWORN IN AS PRESIDENT 1 JUL

Talks to Press

PY011700 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1546 GMT 1 Jul 82

[Text] Buenos Aires, 1 Jul (NA) -- A few minutes after the newly installed president, Reynaldo Bignone, was sworn in, he said that all the necessary steps will be taken "to again achieve the unity of the armed forces." He admitted that this matter will be a "priority" of his administration.

Bignone emphasized that "there are many factors which make me feel quite optimistic" about achieving the unity of the armed forces.

The president broke the protocol of the greetings he was receiving from the personalities attending the ceremony when he talked with journalists in Government House a few minutes after he was sworn in.

At the beginning of the dialogue, a Brazilian Journalist told Bignone that "the people are concerned over the division of the armed forces."

Bignone said: "I must say that, logically, this is reason for concern." Nevertheless, he explained that this situation can be labeled "by no means a division."

He added: "They are just points of view which are well oriented toward the best solutions we all want for our country."

He went on to say that "our armed forces have always shown signs of being abreast of the circumstances and I have no doubt that on this occasion they also are and will be abreast of these circumstances."

The Brazilian journalist then asked Bignone about a possible institutional instability and if he was thinking of that possibility.

Bignone answered: "Had I thought I was starting the government with possible instability, that would be a reason for concern. I assure you that the opposite is true. I have great confidence and faith that we are really moving decisively toward the institutionalization of the country in a fixed term and with sure steps."

He was then asked about the possibility that a civilian vice president will be named. He said: "I do not like to make judgments about matters I have neither studied nor analyzed; therefore, let my answer on this matter be neither positive nor negative."

He was also asked when he is going to talk with the labor union leaders. Bignone said that "in every ministry I am going to open the necessary channels for talks so that contacts can be established with the national labor leaders in every area."

He said: "Of course, not only at the ministerial level but also at the highest national level."

He said: "I am particularly interested and not only I. The mission I have received specifies this. We have to move toward the institutionalization of the country but we have to move together."

Bignone said: "We have to get ideas, to create ideas and give the country a real lasting solution."

Regarding this matter, Bignone told the journalist: "Do not doubt that we are going to hold talks and at the level I have mentioned."

Surrounded by a crowd of people who were trying to greet him in the south hall of Government House, the president was also asked about the subject of the missing persons.

He noted that "for the time being I refer to what the interior minister has stated in various occasions and on the last occasion to what General Saint Jean said. For the time being, I repeat, I only say that, because it is one of the many problems which I still have to analyze."

Bignone was asked whether he might order an amnesty which will allow the return of those in exile. He replied: "I take advantage of this occasion to tell everybody that I do not like hasty things. Neither do I like to make statements that are premature or not well thought out."

"It is even imprudent of the president to make statements regarding a subject on which he is still not appropriately informed."

Regarding the resignations submitted by the governors, he asked the journalists to understand the "true meaning" of his words. He said: "This is my opinion, I have fixed and maximum deadline which is the month of March 1984. There is still just over 1 and 1/2 years. Therefore, as a general criteria, I am going to impose the maximum possible stability and I believe that because of the term and mission to be fulfilled this is not a time for important changes."

He explained: "Obviously each case will have to be analyzed but, as a general rule and in principle, I reiterate that this is not a time for important changes."

Regarding the statutes for political parties, he stated that the matter will be handled "through the Interior Ministry and with the support which the political leaders may wish to give me in order to find a better solution."

He was then asked: "Which would be the first steps that you, in your capacity as president, will take to try to reunite the armed forces?"

Bignone answered: "You should have no doubt that I will do everything possible and necessary."

The journalist insisted on knowing whether "that subject was a priority issue of his administration" to which Bignone replied: "Yes, yes, it is a priority issue. Furthermore, I think there are many factors which make me absolutely optimistic in this regard."

When someone asked about the relations with the United States Bignone excused himself by stating that "I do not want to be rude by any means but I do not think that, considering everything I have already disclosed to you, I should go any further." He confirmed that he is going to deliver a speech to the nation tonight in which "obviously I am going to answer the questions you are now asking me."

He said: "I categorically assure you that I am a man who advocates dialogue." He then recalled that "there are many journalists who know me through my actions as secretary general (of the army). That is how I treated the press and how I will continue to act as president."

He added: "I now ask for your understanding in letting me see my family. I believe that, regarding our talks, I have shown respect and will continue to show respect for the national press."

He then approached his relatives and friends who were waiting to greet him.

Inaugural Address

PY020112 Buenos Aires Domestic Service in Spanish 0000 GMT 2 Jul 82

[Text of inaugural speech by President Reynaldo Bignone from the White Room of Government House in Buenos Aires on 1 July -- recorded]

[Text] Argentines, I do not wish to begin my first address without first paying heartfelt homage to our civilian and military fellow countrymen who defended our sovereignty during the battle for the Malvinas with so much courage, loyalty and self-sacrifice. My heartfelt homage to those who lost their lives, my fervent desire for a swift and total recovery to the wounded and my proud recognition to all.

I will speak in a simple and straightforward manner because I want each and all of you to understand me.

The nation is experiencing a difficult and serious period of its history. I take over the government with a clear and specific mission: to institutionalize the nation by March 1984 at the latest. I never had, nor do I have, any political ambitions. I have lived within the armed forces and to them I wish to convey my gratitude and homage.

I fully appreciate the supreme honor of this office, but even more I appreciate the objective that I must fulfill from it. I sincerely believe that this objective is the only rational and peaceful way to overcome our domestic problems and to be better prepared for the foreign ones.

I know that the great majority of the citizens shares this objective and they feel, like I do, that it is the best for everyone.

Thus, from now on the main support for this objective will come from the backing which our Argentine society, all of you together, will be prepared to give it.

Despite the simplicity of what I just said, the accomplishment of the mission will not be easy. On the contrary, it is fraught with risks and complexities.

I do not seek or ask for endorsements but I do and will need help. As I said at the beginning, the objective is clear and specific, but it is no less crucial to choose the right instruments that will allow us to fulfill it amid security, order and without shocks. For this to happen, this process must first of all be carried out with the active participation of the various sectors of the nation.

I am sure that all political, social and business leaders are ready to help in the attainment of the proposed objective with the appropriate actions. This will facilitate flexible and permanent contacts which will basically deal with the management of political, social and economic affairs.

As I said a few days ago, I have already made the decision to lift the current ban on political activities as of today and the laws in effect will be adjusted to this end. Thus, the political parties, key parts of the republican system, will be able to prepare their organizations for assuming the responsibilities that fall within their jurisdiction.

We will immediately initiate the task of approving the appropriate statute as soon as possible and of preparing the other necessary legal rules and regulations for the institutionalization of the nation, such as the electoral law.

All this will be set forth in the political timetable which will establish the deadlines and the means for the period of time available to us.

I wish to repeat what I have already said: All this will be done through consultation with all political parties in order to reconcile all opinions as much as possible.

My government will be loyal to its mission. It will be fulfilled with honesty and coherence. I hope that the significance of the chosen goal will guide the steps of everyone. Everyone must be fully and absolutely aware that any illegal quest for factional or personal advantages during the period that now begins could seriously jeopardize the planned development and plunge the country into an even greater crisis. This statement applies in full to both political behavior and to social and economic affairs. In the latter field we are facing the hardships of a crisis which, in addition to jeopardizing our current well-being, could also affect our future.

We are convinced of the need to rechannel the system. We will swiftly and energetically draw up a plan for a productive economy as opposed to the speculative framework which has been affecting the bases of our national economy and of social peace.

In order to carry out this change we will set into motion mechanisms capable of reactivating the economy, thus seeking to eliminate unemployment and increase productivity. Only fruitful toil will be acceptable under the new rules of the game, which will be consistent with the interest of the nation and absolutely free from any individual privileges.

The necessary economic changes will take place in conjunction with and at the service of the future political institutionalization. To this effect, the high foreign debt will be reorganized so that the fulfillment of our commitments will be compatible with genuine resources available for this purpose.

Thus, we will try to protect the future constitutional government from being tied down by financial requirements which will be impossible to meet.

The economy of the public sector will also have to be efficiently restructured, so that the future authorities may count on useful tools for an effective control of inflation.

Finally, we believe that it will be essential to undertake a monetary and financial reform in order to place the entire system at the service of the recovery of the productive sectors and for the creation of jobs.

These goals should be achieved without allowing soaring inflation to undermine them. We know that there are considerable problems which prevent the drastic elimination of inflation, but we will not lack either character or energy to adopt fiscal measures -- or measures of another nature -- aimed at controlling inflation.

The present crisis will be solved favorably only if we work harmoniously and with the best of intentions, although spectacular results should not in anyway be expected immediately.

It is a clear-cut truth that the best technical solution will fail if it has not been accepted by the vast majority of those for whom it has been designed. In our case, that truth has a far broader significance: If we really want to overcome the crisis, it is essential that we support, faithfully and responsibly, the policy aimed at overcoming it.

Both our political-institutional restructuring and our socioeconomic recovery are conditions which are essential for a sound foreign policy.

In this area, we shall rest on the great traditional principles of our foreign policy: self-determination of the peoples, nonintervention in the internal affairs of other countries, commercial and diplomatic pluralism, and equality among the nations. These principles will be applied with absolute independence and with total disregard to any condition based on schematic concepts of international relations.

We will give maximum impetus to our possibilities of relations with the fraternal countries of Iberoamerica whom we will always keep in our hearts because of their friendship and solidarity shown to us during the difficult moments we have recently experienced.

In all places and occasions we will unswervingly maintain our posture of defense of our rights over the Malvinas Islands, the Georgias and Sandwich Islands which must be incorporated into the nation's territory. As long as this goes undone, our sovereignty will be wounded and trampled upon. We will never relinquish those pieces of land so dear to the sentiments of generations of Argentines; those pieces of land for which so many have now heroically laid down their lives. We clearly state that those who understood the value we attach to our cause and acted accordingly are and will be our friends.

On the contrary, those who leveled sanctions against us and were hostile to us will be treated in accordance with the normal rules of trade whenever this becomes possible and convenient.

Concerning the southern dispute, we will continue working with our best intention to settle it under the August mediation of his holiness, who is worshipped and respected by our people, as was seen during his recent valuable visit, if it is to be lasting, any solution will have to have the express support of the people's will.

We should appeal to our best and most fervent patriotism and sense of national unity in order to achieve our goals. I know that some recent events cause us pain, frustration and even anger, but if we let those emotions dominate our conduct, nothing either positive or vital can now be built in Argentina. People who work at the service of a national cause are always driven by noble feelings.

In the face of the conflict over our Malvinas Islands, we support a just cause, a vindication which all of us have wished for.

The sincere patriotism that we have both expressed and felt will always be the object of our pride and our pledge to unity, never the starting point of disappointment. Our duty is to protect that feeling, because it is the best in ourselves.

Argentines, this crisis in which we are submerged, pervading and distorting everything, must and can be overcome if every Argentine puts at the nation's service his efforts, intelligence, moderation, ethical sensibility and loyalty to the values which nurture our being. The situation of the republic demands from us strength of will and spirit of grandeur.

Let's look at one another face to face, recalling how much enthusiasm and energy can be generated by our patriotism and how much better we feel when we devote our best sentiments to a common cause.

It is necessary to reach a fundamental agreement on a set of ideas that transcend public controversy and constitute the solid foundations of the nation. Without that essential agreement those ideas will not prevail, because then the project will not be a common project. If we do so we will be up to the demands history makes of us as a challenge to our beloved Argentina.

I pray to God, Our Lord, the source of all reason and justice, to forge our brotherhood in this crucial hour.

Up to this point, the president of the nation has addressed the country. I now want as a citizen, who in his capacity as president can reach all his compatriots through the mass media at an hour when Argentine families are gathered at home after a full days work, to bring up -- as just another citizen -- some points for reflection.

These points for reflection -- and they are nothing but that -- refer and dwell on that question we usually ask ourselves: What happens to us, Argentines? It is a known fact, even beyond our borders, that ours is a privileged country without great problems. However, it is equally true that for many years we have been living amid at least a number of shocks and thus we ask ourselves: What is wrong with us Argentines?

Tonight I will propose that we change the meaning of the question and suggest that instead of phrasing it the way we have always done, we should address ourselves first: How responsible am I? What is my share of blame for what is happening to us Argentines?

What do I mean by trying to rephrase the question? I have two reasons in mind, first, by asking the question the way we have done before we will probably look around out of habit and in doing so we -- as humans -- will find blame in others first. Some will find it in things, others in specific persons, others in specific institutions and the worst thing of all is that the answer with which each one will come up -- and it is not going to be the same for everyone -- will not provide us with the way to solve the problem.

The advantage of rephrasing the question, that is, saying that I am partly to blame, that I am partly responsible for what is happening to us Argentines, is that it will force us to humbly and instinctively look within ourselves first. By looking within ourselves first and man being his own master, by finding this share of blame -- and he is bound to find it irrespective of how small it may be -- he will be able, through a great effort of will and great strength of character, to immediately change the defect and after the correction, the change, takes place, he will be able -- why shouldn't he after all -- to look around and try to change the behavior of others.

The other great advantage that I find in asking ourselves the question first, is that by doing so we can apply that truth which the men of faith have gleaned from the Holy Book, a truth which even those who have no faith are surely aware of. That truth says that let him whose hands are free, cast the first stone. [quote as heard]

If we humbly and sincerely, with character, ask ourselves this question, the Argentines will drop the stones held in their hands, and if we stop hurling the stones against one another, I am sure that the solution will be easier and it will be found at a higher ethical and moral level.

It would be utopian to believe that we are all in agreement regarding the economic, political and social solutions. I am absolutely sure that what I have said in my address as president of the nation regarding political, economic and social matters will be the target of criticisms beginning tomorrow. This does not frighten me because democracy is a remedy for that and we are certainly moving toward democracy.

However, I do want us to lift ourselves above the criticisms to that high ethical and moral level on which all Argentines can be united to pursue the objectives. What can I promise you? I am not a man to make easy promises, I do not like to promise what I cannot deliver, but in this regard I can tell you two things: First, I no longer hold stones in my hands, I dropped them because I had them in my hands like everybody else; and second, I make a commitment to you, compatriots, to be the example. Should I not do so, let God and the nation render judgment upon me. Argentines, good night.

MILITARY COMMITTEE TO MEET WITH BIGNONE 2 JUL

PY012147 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2122 GMT 1 Jul 82

[Text] Buenos Aires, 1 Jul (NA) -- The military committee will meet tomorrow beginning at 0800 at the Joint Staff building, it has been officially reported.

General Bignone will thus hold his first formal meeting with the three commanders in chief of the armed forces in his capacity as president of the nation.

NICOLAIDES CHAIRS ARMY STAFF MEETING 1 JUL

PY012206 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2124 GMT 1 Jul 82

[Text] Buenos Aires, 1 Jul (NA) -- General Nicolaides has been presiding over a briefing session at army headquarters since 1800.

Attending the meeting are members of the army staff, including colonels. It was learned that the new government structure and its future composition is being discussed.

FOREIGN MINISTER-DESIGNATE ON PRIORITIES

PY012130 Buenos Aires International Service in English 1930 GMT 1 Jul 82

[Text] The new Argentine minister of foreign affairs, Dr Juan Ramon Aguirre Lanari, said that the strengthening of relations with Latin America will be the main objective of the country's foreign policy. He said that Argentina must give priority consideration to Latin America in future, as counseled by history and especially by the experience gained during the recent Malvinas crisis.

After praising the attitude adopted by Venezuela, where he was Argentina's diplomatic representative until his present appointment, the minister said that Venezuela had played an outstanding role for Latin America during the recent Malvinas crisis and that it had established a solid friendship with Argentina which this country was obliged to promote in all circumstances.

The foreign affairs minister said that another fundamental foreign policy objective for Argentina would be to continue the present diplomatic battle on all fronts until achieving universal recognition of Argentina's sovereignty rights over the Malvinas Islands. In this respect, Dr Aguirre Lanari declared: Both mentally and spiritually the Argentine flag continues to fly aloft over the Malvinas. He added: The recent battle is a continuation of a battle which has lasted 150 years. We are not going to lower our flag, since that is not the mission of a government, and much less of a foreign affairs minister, but rather a [words indistinct] of Argentina.

The minister of foreign affairs concluded by saying: Recent events have undoubtedly shown that it is absolutely necessary to strengthen ties with Latin American countries since these hemisphere nations are entitled to more friendly links than those established with countries of other parts of the world.

BIGNONE, PASTORE DISAGREE ON ECONOMIC POLICY

PY020338 Paris AFP in Spanish 0236 GMT 2 Jul 82

[Text] Buenos Aires, 1 Jul (AFP) -- The new President Reynaldo Bignone and Economy Minister-designate Jose Pastore -- who will be sworn in tomorrow -- had a serious argument over the appointment of Domingo Cavallo as president of the Central Bank of the Argentine Republic [BCRA], reliable sources reported here tonight.

Pastore opposed the appointment of Cavallo as a member of the economic team because of the different technical viewpoints they hold regarding the economic crisis the country is experiencing. In the view of those who are in the know, this is another defeat for Economy Minister-designate Jose Maria Dagnino Pastore.

According to the same sources, Bignone himself intervened in the case by calling in Pastore to tell him that his economic plan for the transitional government will create problems in political sectors.

General Bignone some days ago expressed sympathy for the economic program proposed by the Multiparty Group -- which is an umbrella for the five largest political parties in Argentina -- a program that has nothing in common with the one proposed by Dagnino Pastore.

In addition, the Pastore plan was rejected by the Argentine Industrial Union [UIA] which noted that the revitalization of the domestic market should be a priority.

The sources indicated that Bignone had told the new economy minister that his plan had to be revised to bring it into line with the Multiparty Group program so as to avoid tensions right at the outset of the new administration.

This first disagreement within a government team that has not yet taken office is compounded by the atmosphere of uncertainty created by the names of candidates for mid-level appointments in the new administration, particularly in the economic area.

Rodolfo Clutterbuck was appointed tonight as vice president of the BCRA whose president will be Domingo Cavallo.

LA PRENSA PUBLISHES GOVERNMENT'S 1982 BUDGET

PY010015 Buenos Aires LA PRENSA in Spanish 5 Jun 82 pp 1, 4

[Text] The Economy Ministry issued Law No 22.602 on the general budget expenditures and estimate of resources of the national government for 1982, which foresees a 16,745,791,000 peso deficit. This represents 1.67 percent of the GDP.

Of the aforementioned percentage, 1.47 percent of the GDP concerns the national treasury and the rest to decentralized organizations and special accounts. The deficit for the public sector as a whole amounts to 1.93 percent of the GDP, which represents a 71 percent decrease over that foreseen for 1981.

Article No 1 of the law provides 140,554,183,000 pesos for current and capital expenditures of the national government budget (central administration, special accounts and decentralized organizations) as follows: central administration, 13,224,811,000 pesos; defense, 26,184,338,000 pesos; security, 7,973,755,000 pesos; health, 3,105,878,000 pesos; culture and education, 14,629,190,000 pesos; economic development, 49,326,090,000 pesos; social welfare, 22,952,844,000 pesos; science and technology, 4,014,977,000 pesos; public debt, 1,142,300,000 pesos; and savings, 2 billion pesos.

In Article No 2, the resources of the national government apportioned to cover the aforementioned expenditures are estimated at 121,731,483,000 pesos, of which 73,403,978,000 pesos come from the central administration; 32,037,937,000 pesos from special accounts; and 16,290,108,000 pesos from decentralized organizations.

Article No 3 allots 27,554,990,000 pesos to cover "representational expenditures of the national government."

At the same time, 2,076,909,000 pesos are budgeted to cover remaining expenditures from previous years of special accounts and decentralized organizations.

Article No 5 allots 46,339,484,000 pesos for the amortization of debts and advance payments made to suppliers and contractors of the national government, while the next article budgets 49,472,883,000 pesos to finance the national government. As a consequence, the deficit in the national government's budget for this year is estimated at only 13,612,392,000 pesos.

Through Articles No 8, 9, 10, 11, 12 and 13 the executive branch is authorized to make changes in fixed expenditures in the case of development of services; representational expenditures; budgets for the service of special accounts and decentralized organizations; amortization of debts; advance payments to suppliers and contractors of the national government; distribution of credits granted through programs; items [partidas] posts, and teaching hours by permanent and temporary personnel and projects for public works.

The executive branch is also authorized to make the necessary changes in the fixed expenditures of the Defense Ministry, the army, the navy and the air force commands.

Through Article No 14 the executive branch is authorized to grant financial aid up to the sum of 23,700,000,000 pesos to radio and television stations which are administrated or intervened by the government, on account of the credits which this law authorizes.

Through Article No 15 the executive branch is authorized to contract budgetary credits to cover expenditures for services which are transferred to the provinces, to the city hall of Buenos Aires city, and the national territory of Tierra del Fuego, the Antarctic and islands in the South Atlantic, according to needs as of 1 January 1982.

These expenditures will be covered by credits earmarked for fund transfers to the above-mentioned local administrations. In cases where no fund transfers are effected or where transfers are insufficient, the executive branch is authorized to meet such expenditures by contracting the appropriate budgetary credits that will be charged against the share of those local administrations in federal revenues and, to this effect, those local administrations will relinquish their shares in favor of the national treasury. The amount of those relinquished shares will be apportioned to general income and will be included in the calculation of resources.

Through Article No 19 the executive branch is authorized to determine the installments and deadlines for amortization as well as the type of interest rates for the foreign bonds it may issue in accordance with Law No 19.686. It is established that amortization installments, as a minimum, will be made every 6 months and that the deadlines will not be less than 5 years. The type of interest rate will be variable and the executive branch will be able to set the conditions to establish the type of interest rate as well as the maximum or minimum rate to be paid.

Article No 22 authorizes the executive branch to fund the floating debt during 1982 and the national treasury in the short term. For this purpose it will be able to issue public debt bonds and carry out all the necessary negotiations to obtain credits.

The subsequent articles establish quotas to finance projects aimed at promoting industry, mining, forestry credits, and subsidies to agriculture and livestock enterprises for soil protection.

A fund of 4,896,400,000,000 pesos is allocated for industrial promotion, which includes all industrial promotion projects approved by 31 December 1981, amounting to 4,608,100,000,000 pesos.

A fund of 36,880,000,000 pesos has been established for the promotion of mining, while forestry credits are 270,949,000,000, of which the national forestry institute in 1982 will issue certificates for the maximum total of 162,569,450,000 pesos.

Another fund of 25,000,000,000 pesos has been set for credits aimed at subsidizing agricultural and livestock enterprises in fulfilling the provisions of the law on soil improvement and protection and for purchasing machinery.

Article No 30 establishes that 106,350,000,000,000 pesos will be paid out by the national welfare funds of the national welfare system and the family subsidies and family allowances fund in 1982, and the same amount has been allocated in funds and financial resources to cover these payments of benefits.

The breakdown of the amount allocated is as follows: welfare receives 75,050,000,000,000 pesos and family allowances 30,300,000,000,000 pesos. These amounts could be amended by the executive branch without changing the overall amount of the budget.

Article No 31 approves the minimum amounts allocated for financing of the technological development plan of the National Institute of Agricultural and Livestock Technology [INTA] for the 1983-85 3-year period. The breakdown is as follows: 983,105,000,000 pesos for 1983; 1,054,379,000,000 pesos for 1984; and 1,054,379,000,000 pesos [identical figures as published] for 1985.

In this regard the article states that these amounts will be updated on the basis of correction indexes established according to the projected price changes to be used in drawing up the budgets for the years in question.

Article No 32 allocates 869,341,000,000 pesos as the minimum annual contribution of the national treasury to the budgets of 1983, 1984, and 1985, in order to finance shipbuilding by the national merchant navy fund. These amounts will also be adjusted using the system employed in the case of the INTA.

Article No 33 empowers the executive branch to issue a public debt bond which will be called "national social welfare debt consolidation bond" for 4,500,000,000,000 pesos which will be used to pay off the debt of the funds of the national social welfare system contracted with financial organizations for payment of retirement benefits, a debt which is still pending. This bond, which will be issued within 3 years at most, will earn an annual interest of 1 percent and will be placed in the Central Bank which will not count it against the limitations provided for in its charter.

Article No 39 empowers the executive branch to establish, through the Economy Ministry, an extraordinary contribution to the national treasury by institutions which are members of the official banking system, payable out of the profits of their respective balances for fiscal year 1981.

Article No 40 states that the national administration organizations and state enterprises will not be allowed to build or purchase buildings in order to expand their current administrative facilities. Any exceptions to this provision will have to be made by the executive branch.

At the same time the directors that represent the state in various corporations will have to act in keeping with the above provision and have any construction or purchase of buildings explicitly approved by shareholders' general meetings.

Plan of Investments in Billions of Pesos

Item	1981	1982	Difference	
			Amount	Percentage
I. National administration	14,194.6	25,616.5	11,421.9	80.5
-- Central administration	3,003.6	5,313.6	2,310.1	76.3
-- Special accounts	4,538.9	6,768.6	2,229.7	49.1
-- Autonomous organizations	6,652.2	13,534.3	6,822.1	103.5

VI. 2 Jul 82

B 11

ARGENTINA

II. Public enterprises	17,772.0	28,556.2	10,784.1	60.7
-- General ports administration	226.0	500.0	274.0	121.2
-- Aerolíneas Argentinas	500.0	575.0	75.0	15.0
-- Water and power	3,241.0	4,642.0	1,401.0	43.2
-- State Shipyards and Naval Factories Co.	20.0	46.4	26.4	132.0
-- Argentina Televisora Color L.S. 82 Channel 7 Co.	9.0	--	9.0	--
-- Argentine Maritime Lines Co.	153.0	187.4	34.4	22.5
-- National post and telegraph office	215.0	240.7	25.7	11.9
-- National telecommunications enterprise	3,013.0	4,565.0	1,552.0	51.5
-- Argentine Railways	1,638.0	3,200.0	1,562.0	95.4
-- State gas enterprise	866.0	2,967.0	1,201.0	138.7
-- North-Patagonic Hydroelectric Co.	943.0	2,200.0	1,257.0	133.3
-- National Sanitation Co.	494.0	900.0	405.0	82.2
-- Bahía Blanca Petrochemical Co.	166.0	--	166.0	--
-- Greater Buenos Aires electrical services	1,185.0	1,600.0	415.0	35.0
-- Government coal deposits	226.0	324.9	98.9	43.8
-- Agua de Dionisio mineral deposits	1.0	7.7	6.7	670.0
-- Government oil deposits	4,876.0	7,500.0	2,624.0	53.8
III. Binational entities	1,321.0	1,514.9	193.9	14.7
-- Parana River Argentine-Paraguayan Joint Commission	70.0	107.9	37.9	54.1
-- Salto Grande Technical Commission	337.0	500.0	163.0	48.4
-- Yacyreta binational entity	914.0	907.0	7.0	0.8
IV. Provinces and Buenos Aires county	16,765.7	28,355.5	11,539.8	69.1
Grand total	50,053.3	84,043.1	33,989.7	67.9

National Administration -- 1982 Expenditure Distribution by Sectors in Billion of Pesos

Item	[Amount]	Percentage [of total]
A. Former national legislative branch	291.1	0.2
B. National judicial branch	1,267.8	0.9
C. National auditing court	59.9	-
D. Presidency of the nation	10,371.4	7.4
E. Interior Ministry	5,662.7	4.0
F. Foreign Relations and Worship Ministry	1,104.7	0.8
G. Justice Ministry	1,259.3	0.9
H. Defense Ministry	43,455.7	30.9
I. Economy Ministry	9,622.3	6.9
J. Public Works and Services Ministry	18,608.6	13.2
K. Education Ministry	14,737.5	10.5
L. Labor Ministry	288.0	0.2
M. Social Action Ministry	13,635.5	9.7
N. Public Health and Environment Ministry	2,099.1	1.5
O. Servicing of public debt	1,142.3	0.8
P. Treasury obligations	18,928.3	13.5
Subtotal	142,554.2	101.4
Projected savings	2,000.0	1.4
Grand total	140,554.2	100.0

PERONIST YOUTHS HOLD DEMONSTRATION 1 JUL

PY020110 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0058 GMT 2 Jul 82

[Text] Buenos Aires, 1 Jul (NA) -- About 500 Peronist youths held an impromptu demonstration this evening. The youths walked together about 700 meters until they reached the congress building where they sang the march "Los Muchacos Peronistas".

The Peronist youths started the demonstration at the intersection of Azcuenaga and Bartolome Mitre Streets where a mass was held in honor of the late President Juan Peron.

580 SOLDIERS FLY HOME FROM FALKLANDS 1 JUL

PY012333 Buenos Aires TELAM in Spanish 2245 GMT 1 Jul 82

[Text] Buenos Aires, 1 Jul (TELAM) -- Five hundred and eighty soldiers coming from the Malvinas arrived at the Ezeiza Airport this afternoon after a stopover in Rio Grande. These soldiers are under the command of Navy Cpt Oscar Garcia Rabin, second commander of the 3d Navy Infantry Battalion. Fifty of these soldiers are members of this battalion with headquarters at Rio Grande, Tierra del Fuego.

FORMER PRESIDENT VIOLA 'OPTIMISTIC' ON PROCESS

PY011818 Buenos Aires TELAM in Spanish 1611 GMT 1 Jul 82

[Text] Buenos Aires, 1 Jul (TELAM) -- Former President Roberto Viola today expressed his profound optimism that the basic objectives of the process of national reorganization will be fulfilled.

Asked about the current institutional situation, Viola said that we are experiencing an extremely difficult situation and that this problem has reached a point of great complexity.

He added: "But I am quite optimistic that the basic objectives established by the process of national reorganization, which are fundamentally and primarily linked to the achievement of political and institutional stability, are going to be fulfilled."

During a brief conversation with reporters at the end of the swearing-in ceremony of President Reynaldo Bignone, Viola said that "if this is achieved, if the bases are set, the process will have fulfilled its objective."

INDUSTRIAL UNION PROPOSES EMERGENCY PROGRAM

PY010229 Buenos Aires TELAM in Spanish 0130 GMT 30 Jun 82

[Text] Buenos Aires, 29 Jun (TELAM) -- The Argentine Industrial Union [UIA] last night released an emergency socioeconomic program which advocates among other things the devaluation of the peso, refunds for exports, restrictions on imports, the broad refinancing of industrial debts, the implementation of interest rates lower than the inflation and the granting of selective credit.

The preparation and approval of this document was the object of internal disputes within the UIA, to the point of adopting a decision approving the terms of the document issued on 12 April, inspired by former Industry and Mining Minister Livio Guillermo Khul, to the detriment of the position maintained by Luis Gotelli.

In this emergency socioeconomic program, the UIA states that the situation the country is experiencing now demands a quick revision of the objectives which have been established to date in this regard, and that the transitional government period which will begin on Thursday must seek the immediate beginning of the country's total recovery.

It was indicated in this regard that this will be achieved by correcting the consequences of the economic policy implemented during the past few years which has led us into the serious crisis we are now experiencing and which demands an end to the recession and unemployment cycle.

The UIA warns, however, that this program must seek to reactivate the productive apparatus in all sectors and regions of the country, taking into account the narrow margin which separates us from unbearable inflationary consequences.

The UIA has demanded first of all a devaluation and a regime of refunds on exports, and indicated that the type of exchange must allow a substantial and steady intensification of exports. This level must be reached immediately and the taxes levied on the costs of exported goods must be reimbursed.

After indicating the need for the imperative refinancing of the Argentine foreign debt, the UIA states that the national industry must be soundly protected, and that to achieve this, tax policy must be reconsidered and the country's currency must be necessarily used to obtain inputs necessary for the productive apparatus.

The passage referring to industrial debt states that the reactivation of the productive apparatus demands as a basic condition an immediate action to address the problem of the financial debts of private enterprise. The refinancing (of these debts) must be broad in scope, simple in its methods and it should also embrace debts in foreign currencies.

The UIA also proposes a financial reform which should primarily allow the margin of returns for productive activities to be higher than those for financial investments, arguing that within the current context it is impossible to achieve a reactivation of the domestic market due to the persistence of interest rates higher than the inflation.

The proposal also points out the need to do away with the short-term financial credit system and that the institutional reforms should consider the advantage of not returning to a system of discretionary granting of credit and to ill-structured parallel financial markets, but that this does not mean discarding the use of selective credit as a promotional tool.

The UIA also demands a salary readjustment based on an agreement to reduce the loss in real purchasing power of salaries, measure which, added to the larger number of employment opportunities to be created by the set of programs, will improve the overall income of the labor sector. The UIA indicates at the same time that the employment level can no longer be used as an index for salary readjustment.

The UIA document also refers to the policies to be implemented in the public sector. It demands a real reduction of expenditures and also a change in what they are allocated for, with less allotted for investments, since the question that is up for discussion will not only refer to the level of public expenditures but to its functional application, and to the effectiveness with which each peso is spent.

After demanding the immediate privatization -- total or partial -- of the public enterprises, the UIA states that, in the system of treasury revenues which should be proposed, taxation must no longer be concentrated on a small tax base in order to reduce tax evasion.

It concludes that each of these proposals must have a favorable impact on the domestic market, that the reactivation of this market will be decisive in bailing out the productive apparatus from its present slump, and that results so effected will be quantitatively more important.

We have tried to point out the paths which, avoiding the risk of falling into hyperinflation, will contribute to activate the country and lead it toward the future of greatness it deserves.

AGREEMENT TO INCREASE TRADE SIGNED WITH BULGARIA

PY011548 Buenos Aires TELAM in Spanish 0050 GMT 1 Jul 82

[Text] Buenos Aires, 30 Jun (TELAM) -- The Trade Secretariat has reported that the Argentine-Bulgarian joint commission today ended its deliberations with the signing of an agreement in which the two governments decided to increase trade.

The Bulgarian delegation headed by Atanas Ginev, deputy minister of foreign trade, has expressed interest in concentrating Bulgaria's grain purchases from Argentina.

It was also said that in the near future the Bulgarian delegation will submit a draft agreement regarding reciprocal long-term purchases for the consideration of the appropriate Argentine officials.

The joint commission will also study some actions to increase maritime transport services between the two countries, and the possibility of having adequate financial mechanisms to achieve these objectives.

PRESIDENT DISCOUNTS RUMORS OF HIGH-LEVEL CHANGES

PY011248 La Paz Radio Illimani Network in Spanish 1100 GMT 1 Jul 82

[Text] I cannot deny something I have not said, was the categorical answer by the president of the republic, Gen Celso Torrelío Villa, when journalists asked him about a newspaper article referring to possible changes in the cabinet and the military leadership. However, the president stated that in his capacity as head of the government, he has every right to make adjustments within his cabinet as well as within the higher echelons of the armed forces, according to needs of the services.

The denial was made after a lengthy cabinet meeting at the government palace. The daily had made references to an imminent reorganization of the military leadership as well as a complete reshuffle of the cabinet to include 12 civilians and 6 officers.

Minister's Assignment

PY011849 La Paz Radio Illimani Network in Spanish 1700 GMT 1 Jul 82

[Excerpt] The chief of state pointed out that Integration Minister Edgar Millares Reyes will represent the government on the Cartagena agreement board but explained that this did not mean the cabinet had been reshuffled.

INTERIOR MINISTER SAYS CALM PREVAILS IN COUNTRY

PY011315 La Paz Radio Illimani Network in Spanish 1100 GMT 1 Jul 82

[Excerpts] Yesterday's cabinet meeting decided to order the appropriate sectors to take adequate measures to guarantee the normal supply of basic foodstuffs to the market. This was disclosed by Information Minister Mario Marañón Zarate. During the cabinet meeting Interior Minister Col Romulo Mercado Garnica referred to the situation in the country and the work being carried out by the National Council for Political and Social Affairs, CONAPOL, to establish a dialogue with representatives of political, economic and social organizations. At the same time he pointed out that calm prevails in Bolivia, although there are a few latent problems such as that at Santa Cruz university and other minor problems.

MINISTER REPORTS ON TIES WITH SWEDEN, FRG AID

PY011531 La Paz Radio Illimani Network in Spanish 1100 GMT 1 Jul 82

[Excerpt] The Swedish Government has informed the Bolivian Foreign Ministry that it has decided to resume diplomatic relations with our country and for this purpose has requested that Bolivia accept Sweden's new ambassador to La Paz. This information was released by Foreign Minister Gonzalo Romero Alvarez Garcia during a regular cabinet session. The foreign minister was referring to Bolivian diplomatic relations.

The foreign minister also disclosed that the FRG parliament had decided to authorize the government to start a program to aid Bolivia in various fields.

ARMED FORCES WILL MONITOR ISSUES BEYOND 1985

PY011558 Paris AFP in Spanish 2211 GMT 30 Jun 82

[Text] Montevideo, 30 Jun (AFP) -- Gen Julio Bonelli stated here today that armed forces will remain in permanent contact with government issues after 1985, the year the politicians will assume almost all power in Uruguay. Bonelli, chief of the army's 2d division, said the military will allow no one to deceive the people, and added that the armed forces will be on guard during the process following the 1984 general elections.

The general also warned some politicians regarding their future performance in that process. According to General Bonelli, these politicians will not be able to behave as they did before 1973, the year the President Juan Maria Bordaberry dissolved the congress and created the current civilian-military government.

PDC APPEALS PROVISIONS OF POLITICAL PARTIES LAW

PY011604 Paris AFP in Spanish 2158 GMT 30 Jun 82

[Text] Montevideo, 30 Jun (AFP) -- The Uruguayan Christian Democratic Party [PDC] has filed a court appeal against the unconstitutionality of some measures stipulated in the law on political parties, a set of regulations recently approved by the government.

The weekly BUSQUEDA says today that the appeal affects the articles in the law which overlook the legal or real existence of the PDC and considers it dissolved.

BUSQUEDA states that the document was presented to the Supreme Court with a number of appendices which seek to prove that the PDC's legal status is in effect. According to the appeal, three of the articles violate the constitutional standards that allow the free association of persons provided they do not form an illegal association. This association, which during the general elections in 1971 constituted a broad front of the left, has been in abeyance since 1973 and some of the leaders have been proscribed.

Only three parties will participate in the presidential elections scheduled for 1984: the Colorado, the Blanco and the National parties (Catholic).

MINISTER SEES CONTINENT'S NEEDS IN WORLD CONTEXT

PY301857 Buenos Aires TELAM in Spanish 1148 GMT 30 Jun 82

[Excerpts] Montevideo, 30 Jun (TELAM) -- Estanislao Valdes Otero, Uruguayan foreign minister and chairman of the 20th consultative meeting of foreign ministers of the Inter-American Reciprocal Assistance Treaty (TIAR), told TELAM today that Latin Americans believed in a rather naive way that our southern continent was free of war; today, we know that with current technology distances between places no longer exist and peace is no longer a permanent gift for us, that it has become a cause that must be pursued through the daily efforts of the region's peoples and governments.

Valdes Otero, who was interviewed by TELAM, asserted that Latin's America's present problems derive from the sense of individualism which was inherited from a common historic origin and from difficulties in the infrastructure, which originate [words indistinct]. However, we have the moral duty to have faith in a future characterized by friendship (?and cooperation).

Valdes Otero said Latin America today is more conscious of its identity and of the political and belligerent risks that are threatening it. Therefore, Latin America will have to achieve the political weight necessary for real participation within the international community. This must be sought under the supreme ideal of helping one another to excel, thus contributing more decisively to achieving the great objectives of the international community, which are not peculiar to any geographical region, civilization or generation in particular, but to all of mankind.

COSTA RICAFRANCE'S DEBRAY ASKS FOR RELEASE OF PRISONERS

PA020410 Panama City CRITICA in Spanish 29 Jun 82 p 7

[By Carlos J. Nunez]

[Text] Regis Debray, France's adviser on Latin American affairs, has formally asked the Costa Rican Government to grant "safe-conducts" so that some Latin American political prisoners can travel to France, Mexico and Sweden. In a telephone conversation with Debray, CRITICA obtained assurances that the governments that support the FDR [Revolutionary Democratic Front] and the FMLN of El Salvador would be willing to receive the prisoners. Argentine Carmelo Esbezzi Maldonado; Salvadorans Mario Rivera, Miguel Moreno, Ricardo Cardona and Jose Navas; Nicaraguan Juan Murillo Moreno; Loi Ibarra Florez [no nationality specified]; Chilean Luis Arena Romero; and Costa Rican Sergio Hernandez Sanchez are all accused of "arms trafficking in Costa Rica." One of the prisoners is semiparalyzed and another already has an order authorizing his release, but has yet to be freed.

EL SALVADORGUERRILLAS BURN VEHICLES ON PAN-AMERICAN HIGHWAY

PA020139 San Salvador LA PRENSA GRAFICA in Spanish 1 Jul 82 pp 2, 44

[Excerpt] Terrorist groups operating on the Pan-American Highway continue to cause heavy losses in San Vicente Department. Nine vehicles were burned yesterday at km 62 and 63. A station wagon providing interdepartmental service, two trailers, three trucks, one pickup truck and two private cars were burned. It was reported that 18 vehicles have been burned in this sector of the Pan-American Highway since last week, when subversive groups issued threats and announced that they would begin a "burning operation." The ominous acts of these criminal groups have been felt in areas of Las Animas, Caldera, Junquillar and El Jobo within the jurisdiction of the municipalities of San Lorenzo, Atastepeque and San Vicente. Those who have been affected said that they expect a drastic reaction from the army.

REBELS ATTACK TOWNS IN CHALATENANGO DEPARTMENT

PA020120 San Salvador DIARIO LATINO in Spanish 30 Jun 82 pp 2, 20

[Excerpt] Ojos de Agua and El Carrizal, in Chalatenango Department, have been abandoned as a result of serious attacks by terrorist groups. The guerrillas have also been involved in acts of arson, destroying municipal records. They killed at least 21 people and wounded many others in a clash with the armed forces on Saturday. According to reports, the terrorists entered Ojo de Agua on Saturday, attacking the town at various points. Heavy fighting ensued when civil defense members and soldiers resisted the attack, which lasted at least 5 hours. According to eyewitnesses, the members of the military groups were not able to resist the terrorist attack for long, because there were so many rebels.

GARCIA SAYS GUERRILLA MOVEMENT 'STILL ALIVE'

PA011418 San Jose LA NACION in Spanish 24 Jun 82 p 18

[Article by Jorge Armando Contreras]

[Text] Gen Jose Guillermo Garcia, the Salvadoran defense minister, has stated that the guerrilla movement is still alive in that country because its goal is to take over power. He added that the guerrillas continue to receive weapons, ammunition and mercenaries from Cuba, via Nicaragua.

When asked about the latest incidents in Morazan Department, in the country's northeast, the military officer commented, "we are going to have a serious problem if these actions are not stopped." According to the clandestine Radio Venceremos, in this department the army and the guerrillas engaged in heavy fighting, which resulted in casualties for the armed forces and the capture of 1 lieutenant and 43 soldiers. During this action, the extremists also captured weapons. General Garcia denied this report, saying among other things that: "What occurred was due to special combat circumstances. In due time, we will give an official account and will confirm what happened there. Regarding prisoners of war which the guerrillas claim to have, the military officer noted: "This isn't the first time that they have said that. They want to win the public over. They want to make others believe that they are strong."

The Guerrilla Movement Is Alive

The Salvadoran defense minister said that although the subversives are defeated, they are not annihilated. They are conducting a campaign of destruction, destroying the very towns that they claim to defend. According to Garcia, the guerrillas no longer have any ideology or principles, they are only fomenting destruction.

The armed forces recently reported a vast military operation in Chalatenango Department, in northern El Salvador, on the border with Honduras. More than 3,000 men, including soldiers of the Atlacatl and Gen Ramon Belloso Battalions, were sent to this area.

It is now being reported that a similar action is underway in Morazan Department where the guerrillas have their strongest bastion and where they have repeatedly seized towns. General Garcia admitted that the guerrillas recently captured Perquin, a town located 203 km in the country's northeast. The guerrillas constantly attack other towns in Morazan Department such as San Fernando, Torola, Arambala, Jocoaitique, Meanguera and El Rosario. The army has taken heavy casualties in ambushes and other actions along the roads that link these towns.

Regarding Perquin, the minister said that the guerrillas have seized the town four times and that this has accomplished nothing "because when the army arrives to dislodge them and recover the town, there is a price for it. It is a price paid in blood and lives. This is what the subversives are doing. The only thing the guerrillas have done is loot and torment the citizens, but this is their plan."

Routine Action

Regarding the military operation in Morazan Department, which has been underway since 1 June, as announced by Col Rafael Flores Lima, a chief of the armed forces general staff, General Garcia said that this is a routine action. However, he did not say if soldiers who were trained in North Carolina and are members of the Ramon Belloso Battalion are participating in it. According to U.S. Ambassador Deane R. Hinton, this battalion can crush the guerrillas this year, or by next year at the latest. Regarding this statement, Garcia said: "Well, he knows why he is saying that. We don't dare make any predictions. What we can stress is that the armed forces are fighting against the subversives."

Without mentioning any names, Garcia admitted that an officer was killed in the fighting that has been underway since 12 June. The guerrillas claim that Sergio Flores Serrano and Oscar Rene Alas Lopez, two officers, were killed in action. Capt Roberto Alfonso Mendoza Portillo was buried in San Salvador on 16 June but the armed forces did not report where he died.

Prisoners

Asked about the armed forces' opinion on the numbers of prisoners the guerrillas claim to have, Garcia replied: "First, this isn't a war against another country but a destructive campaign by nationals in combination with mercenaries."

He added that the armed forces must take decisive action against it. He then asked: "If they have the prisoners why don't they turn them over? If they have them why don't they return them?" He added: "If some of our people fall into terrorist hands, this is a different matter but a situation that cannot be avoided. Our soldiers risk that in this struggle."

Regarding the last shipment of planes from the United States, Garcia did not give any details on it. He simply said that this is part of the military aid agreed upon. He did not give an opinion on the suspension of the military aid.

Garcia maintained that the Salvadoran guerrillas are defeated but not annihilated. It will be some time before that happens, he added: "Unless they become convinced that the people scorn them and that they will never be able to seize power through the armed struggle." He stressed that "the Salvadoran people rejected the subversion in the 28 March elections." Adding that the extremists don't want to join the democratic process because they follow an order "given by their owners in order to attract world attention."

Amnesty

Regarding a bill on pacification, amnesty and citizen's rehabilitation, recently announced by the Nationalist Republican Alliance, the minister said that he is not familiar with it, despite the fact that Maj Roberto d'Aubuisson, president of the Constituent Assembly and the party in question, announced at a news conference that he had sent this bill to the executive branch and to the armed forces to study it and give their opinion.

Nevertheless, it was explained to Garcia that this bill proposes an amnesty which includes all political prisoners and was asked if the armed forces would agree with it. The Salvadoran general replied that this is a topic which could be the subject of a public discussion and that he couldn't voice an opinion on it at this time. He stated that "the armed forces will give its opinion in due time."

Garcia was asked if investigations were underway concerning certain incidents of repression reported by the Christian Democratic Party [PDC] and the murder of PDC members. He said that the armed forces are fighting violence and injustice against all political parties. "Our goal is to have peace in the country," he emphasized.

Regarding the economic and social changes started by the PDC military junta, particularly the agrarian reform which according to some has been frozen by the suspension of Decree No 207, he said that the armed forces are not responding with words, but with actions. At the garrisons, we are distributing land titles to peasants who are co-owners or leasers and have benefited by this decree. This clearly demonstrates what the armed forces think about this.

Garcia concluded: "We firmly support these reforms because we are convinced that turning back would endanger our country's future "

RADIO VENCEREMOS TO BEGIN 'IRREGULAR' BROADCASTS

FLO11750 [Editorial Report] Havana Domestic Television Service in Spanish at 1700 GMT on 1 July reports that the Salvadoran guerrilla station Radio Venceremos "began to broadcast irregularly last night on orders of the general command of the Francisco Sanchez Eastern Front." It adds that the decision was taken because "all FMLN units in Morazan Department are getting ready to face an offensive by 6,000 Salvadoran and 2,000 Honduran soldiers." On other occasions, Havana says, Radio Venceremos has adopted this measure in response to "government offensives designed to silence the official FMLN mouthpiece."

FMLN COMMENTS ON HONDURAN 'INTERVENTION'

PA301531 Havana International Service in Spanish 2317 GMT 29 Jun 82

[Pedro Martínez Pírez interview with Silvia Martínez and (Ana María Castillo), representatives of the FMLN at the round table on the Arab people's struggle against Zionism and imperialism held at the Convention Palace in Havana on 29 June -- live or recorded]

[Excerpts] [Question] Silvia, at the same time that the Salvadoran people are waging their struggle, it has been reported that the Honduran Army is massively participating in the fighting. What is your opinion of the direct participation of the Honduran armed forces in the people's war being waged in El Salvador?

[Silvia Martínez] For some time we have been denouncing Yankee imperialism's attempts to involve other Latin American forces in the massacre of our people. Even though in the past Honduras had intervened in a hidden manner, this current direct intervention by that nation proves that our protests have been valid. The Honduran Army's intervention in our country, its presence in our country shows that imperialism does not stop at anything.

[Question] (Ana María), how does the FMLN view the current political-military situation in your country?

[Ana María Castillo] Well, at this time the struggle being waged by the FMLN continues to advance and achieve many successes at the military level. For example, we can cite the latest blows (?inflicted on the army) in Morazan, in the paracentral front and in Chalatenango. These successes refute the government propaganda about the immediate destruction of the FMLN army. They also show the crisis of the Salvadoran Government and army.

[Question] Do you believe there has been an improvement of the FMLN's position in this struggle?

[Ana María Castillo] Yes, we believe there has been. Militarily, during the past few months, our army has been waging an offensive during which it has dealt the army some decisive defeats. The army currently faces a dilemma. Despite receiving fresh troops with which the army hoped it could defeat us, it has been shown that despite the aid it receives it cannot achieve its objective of eliminating the FMLN.

[Question] Have the U.S.-trained soldiers participated in the Salvadoran regime's offensive against the guerrilla forces?

[Ana María Castillo] Yes, we can say this is the debut of the new-brigade totally trained in the United States. It is the Ramon Belloso Brigade [as received] which has been used in the offensive against Morazan. It was defeated. All our fighters have heroically carried out a number of actions which successfully culminated with the seizure of Perquin and other towns and the capture of political prisoners, including the deputy defense minister.

FMLN REPORTEDLY INTENSIFIES HARASSMENT CAMPAIGN

PA011713 Managua Domestic Service in Spanish 0300 GMT 1 Jul 82

[Text] Several tank trucks loaded with gasoline and water have been destroyed and several army patrol units have been ambushed as the FMLN has continued to intensify its harassment campaign in El Salvador over the past few days. This morning, on km 74 of the Pan-American Highway, in El Salvador's eastern region, three tank-trucks loaded with fuel were set on fire. The guerrillas also destroyed another truck in the same area. These actions are a continuation of the plan announced by the FMLN to sabotage all forms of transport.

GUATEMALARIOS MONIT ON STATE OF SIEGE, DEATH PENALTY

PA012326 Guatemala City Domestic Service in Spanish 0300 GMT 1 Jul 82

[Speech by Guatemalan President Efraim Rios Montt; place not given -- live]

[Excerpts] When we came to power, we promised that we would have a just and honest government. We spoke of a process that was going to be initiated in Guatemala, a process in which all Guatemalans should participate. We spoke of honesty and justice, which should be practiced not only by some but by all Guatemalan citizens and institutions. But of course, this was misinterpreted, particularly by those who are bringing chaos to Guatemala, by those who tell barefaced lies, promising red paradises of slavery; by those who, in an effort to bring that paradise to this nation, have unleashed a wave of death. From that time forward, our country began to change. Dishonesty and injustice came. We began to grow accustomed to seeing deaths and crimes committed every day, throughout the nation. We are so used to this that bodies are now seen in the roads, the streets, the gullies and clandestine cemeteries.

Justice was replaced by the abuse of power. Having been given the chance to legislate legal support for actions, they [unspecified] abused the power. This is essential. Political crimes came next. Political crime was [words indistinct] subversives, which hiding behind human right, behind the right of self-determination, behind so many rights of opinion, have killed all those who did not believe in them. Above all, they have killed all those people who thought at first that they were the salvation of the nation and its public affairs, and who subsequently realized that they were frauds. We must understand that injustice has been practiced for many years and that thousands of people have suffered the cruelty and hatred of one side or the other. We must agree that it is high time that Guatemalans begin to handle this situation as it should be handled, as God orders, as all of us want to be handled.

In order to eliminate both subversive crime and its causes, this government decided to decree an amnesty, to give an opportunity to those who really sought to solve the country's problems and not to sell our nation to foreigners [words indistinct] accepted. More than 1,500 people -- to be more precise, today we arrived at the figure of 1,857 -- accepted the amnesty. Nevertheless, hundreds of Guatemalans have not taken advantage of the amnesty offer, because they are afraid that they will be killed because the communist comrades have threatened communities. They have already made good on such threats, for they have destroyed entire villages, killing men, women and children. They have violated all human rights. And the most distressing thing is that we show more belief in the farces than in the truth.

But today we are going to begin a merciless struggle. We declare honesty and justice. Each of the legal measures that we have to take to combat them will be clear. Listen to me well, Guatemalans. We are going to fight the subversives with the [word indistinct] means, but we are going to do so with completely just and open trials. At the same time, we will fight subversion with energy and firmness. For this purpose, we have established courts of special jurisdiction. We declare the death sentence by firing squad for those who kidnap; who cause fires; who attack and damage defense installations; who make and hold explosive material; who cause railway disasters; who act against the safety of sea, river and air transportation; who attack or try to attack buses, or any other type of land transportation; who damage or try to damage public utility services, such as water and electricity; who carry out acts of air piracy or any other kind of piracy; who poison water or food; who betray the nation; who act against the integrity of the state; who massacre people in villages, towns and cities; who commit terrorist acts; who have weapons and ammunition arsenals, and who are involved in trafficking in explosives.

I stress that those whom the courts find guilty of the crimes that I listed will be sentenced to death. For peaceful people, for the great majority of Guatemalans, there is no problem. They can live in peace. All who dedicate themselves to normal tasks and who recognize their rights and responsibilities can be at peace. We will do everything in broad daylight. Everything will be done in strict observance of the law and its mandates. No police actions will be hidden from the eyes of the citizens and the world. We are willing to change Guatemala. We are willing to see honesty and justice prevail. There will be peace and respect for those who are peaceful and who respect the law. But there will be prison and death for those who sow crime and violence or commit crimes of (?treason).

For a period of 1 month, effective tomorrow, 1 July, a state of siege will be established throughout the country. As of 1 July we will start to mobilize troops to fight the subversives, to begin the final battle. We have already begun to meet the needs resulting from all of the people who have been massacred and robbed by the guerrillas; from the unarmed and defenseless people who were vilely assassinated; from the men, women and children who were killed for sole crime of opposing rather than helping them. Their families have begun to receive food, medicine, housing and hope.

I want to remind you, fellow citizens, that though the state of siege, the mobilization and the special courts will begin to function tomorrow, life will remain normal for the [word indistinct]. We will fight the subversives with legal backing. I expect your cooperation.

Details of Decrees

PA020150 Panama City ACAN in Spanish 2307 GMT 1 Jul 82

[Text] Guatemala City, 1 Jul (ACAN-EFE) -- The Guatemalan Government issued three decrees of law today that officially declare a state of siege throughout the country, restrict individual guarantees and announce the death penalty for kidnappers, hijackers, terrorists and people who have committed acts of genocide.

Guatemalan President Gen Efraim Rios Montt announced on a national radio and television network last night that a state of siege would be in force from today and that troops would be mobilized to launch "the final battle against subversion."

The Guatemalan Government states in Decree 45-82 that "despite the government's good intentions in issuing a decree offering amnesty to anyone who has been a part or a member of subversive factions in the country, many participants have not only ignored the amnesty but have come out against it, by committing crimes and terrorist acts in different parts of the nation's territory."

"Therefore, the government of Guatemala, represented in a council of ministers, decrees "a state of siege throughout the republic for a period of 30 days."

"As a consequence of the state of siege, the individual guarantees specified in Article 23 of the fundamental government statutes are hereby suspended," Decree 45-82 states.

As long as the state of siege is in force, the president of the republic will exercise government powers as commander in chief of the army and will issue, through the Defense Ministry, whatever decisions may be necessary to enforce Decree 45-82.

The Government of Guatemala suspends all union and labor activities for as long as the state of siege is in force and the president may also suspend the operations of any entity, group, organization or association, whether or not it has any legal standing. Decree 45-82 also states that the military authorities can, without recourse to judicial proceedings, order the arrest of any person suspected of taking any action that may lead to conspiracy against the government or to a disturbance of public order.

The decree adds that anyone may be arrested for being a member or for having been a past member of international organizations that espouse Marxist-Leninist philosophy.

Finally, the decree states that as long as the guarantees are suspended, the military authorities may search homes or any closed premises, use force to break up any meeting or demonstration and prohibit the circulation of vehicles whenever it deems necessary. "The president of the republic, as commander in chief of the army will resolve, through the Defense Ministry, any cases not provided for in Decree 45-82," the document concludes.

Decree 44-82 states that as a result of the increase in the activities of subversive persons and groups, the Guatemalan Government orders a "partial mobilization of the army throughout the Republic of Guatemala." It also calls upon all citizens between the ages of 18 and 30 who have completed compulsory military service in the armed forces to report, in the interior, to the military reserves command posts and, in the capital, to the general headquarters of the "Gen Justo Rufino Barrios" military zone.

General Rios Montt's government also issued two decrees (46-82 and 75-82) prohibiting the ownership and bearing of arms and establishing special courts.

"All licenses to bear any type of weapon are hereby cancelled and the sale, use, bearing or ownership thereof is prohibited. This includes explosives and similar materials, except as used by individuals or units of the civilian self-defense groups organized and authorized by the Defense Ministry," Decree 75-82 states:

Decree 46-82 states that the subversive groups are using violent methods to change all kinds of institutions in the country, in response to which the government establishes tribunals with special powers to hear, resolve and execute all legal actions brought before them as provided for in this law, which also doubles existing penalties.

It adds that prison sentences may not exceed 30 years but that those found to be guilty of kidnappings, aggravated arson, hijacking, genocide and terrorism "will receive the death sentence."

As a result of the state of siege, the government also restricts the guarantees established in the fundamental statutes that refer to freedom of thought.

HONDURAS

ARMED FORCES BULLETIN REPLIES TO FMLN CHARGES

PA010205 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 30 Jun 82

[Bulletin issued by the Honduran Armed Forces Public Relations Office in Tegucigalpa on 29 June 1982 -- read by announcer]

[Text] 1. In view of a report published on 29 June in one of the San Pedro Sula newspapers entitled "FMLN Orders Its Guerrillas To Annihilate Honduran Troops," we deem it necessary to offer the following clarification, on instructions from the Armed Forces Command:

The Salvadoran Armed Forces recently began internal operations to search for and pursue subversive criminals operating in areas near our Honduran border in the Aguanqueterique sector.

2. Complying with its constitutional duties and as a preventive measure, the Armed Forces High Command sent troops to this region to guard and protect our border in the area in question.

3. The Honduran Armed Forces remind the Honduran people that the terrorist and subversive actions that have occurred in our country -- the kidnappings, hijackings, murders, gun running and the construction and use of the ominous terror chambers -- are a direct result of the FMLN's criminal actions, with the treacherous collaboration of bad Hondurans.

This shows that this criminal organization has been meddling in our country, flagrantly violating our laws and liberties for the past 2 years.

4. The armed forces stress to the Honduran people that they are determined to prevent the presence of the FMLN's uncrupulous murderers in our country. These same members of the FMLN showed no pity or compassion when they massacred their own brothers, on the date of the recent elections in El Salvador, in their efforts to prevent the Salvadoran people from expressing their democratic will at the polls.

5. The Honduran people should trust their armed forces, which are willing to sacrifice themselves in complying with their constitutional duty of defending the nation's honor, our people's rights, our territorial integrity and the principles of democracy and freedom upon which our governmental system was founded.

FRENCH-SUPPLIED ARMS FOR NICARAGUA SPECIFIED

PA012155 San Pedro Sula LA PRENSA in Spanish 30 Jun 82 p 4

[Text] Tegucigalpa -- In approximately a month, Nicaragua will be receiving \$13 million worth of weapons and military transportation equipment that it has purchased from France. The military equipment, which both the Nicaraguans and the French have described as "nonoffensive," includes 2 patrol boats, 2 helicopters, 45 trucks for transporting troops, 100 missile launchers and 7,000 missiles, at a total cost of \$13 million.

Alejandro Serrano, Nicaraguan ambassador to France, made the announcement on the delivery of this military equipment. He also announced that Daniel Ortega Saavedra, coordinator of the Nicaraguan Junta of the Government of National Reconstruction, will be in Paris on 12 and 13 July, probably to personally supervise the shipment of the "nonoffensive" weapons.

The Nicaraguan ambassador in Paris said that all of the necessary paperwork on the purchase of the weapons has been completed and that the sale agreement between the two governments was signed early this month, the only pending matter now being the actual delivery of the material on the agreed-upon dates.

The "nonoffensive" material will be arriving at Nicaraguan ports by mid-July, according to international press reports.

Ortega Saavedra will be accompanied on his trip to France by eight ministers who are linked by the nature of their duties to the arms buildup in which our neighboring country is engaged.

NICARAGUA

PEOPLE'S MILITIA TRAINING PROGRAM FOR 20,000

PA011224 Paris AFP in Spanish 2147 GMT 30 Jun 82

[Text] Managua, 30 Jun (AFP) -- After 3 months of training, approximately 20,000 militia trainees graduated last night in several Nicaraguan cities. They will now become members of the Sandinist people's militia. The graduation ceremonies held in Managua and in several departmental capital cities ended the militia training course that began in March.

Twenty thousand Nicaraguans participated in this course, including workers and peasants who will now form part of the people's militia corps. They will be responsible for protecting and defending the country. It was said that another course will begin in August because "the threats of aggression still exist." The total number of militia men in the country and the number of soldiers that make up the Sandinist Peoples Army are "strategic information" and, to date, the figures have not been revealed.

UNITAS MANEUVERS SEEN AS EFFORT AT INTIMIDATION

PA020036 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jul 82

[Text] The United States has begun new naval maneuvers in Caribbean waters, in what observers describe as a demonstration of force intended to intimidate Cuba, Grenada and Nicaragua.

This time, the Unitas maneuvers are being carried out without the participation of Latin American countries that were previously involved in these so-called exercises. Brazil, Ecuador, Argentina, Peru and Venezuela refused to participate in the maneuvers this year as a measure of rejection of the support that the United States gave to the United Kingdom in its aggression against Argentina in the Malvinas.

PLANNING MINISTER ACCUSES IMF OF FISCAL PRESSURE

PA020352 Managua Radio Sandino in Spanish 1830 GMT 1 Jul 82

[Text] Henry Ruiz, planning minister and commander of the revolution, has revealed in Managua that some multinational financial corporations have begun to exert pressure on the Nicaraguan Government with the intention of suffocating the Sandinist revolution. He accused the IMF of being one of the primary foreign financial corporations that are pressuring the revolution. Ruiz added that the IMF, which represents the U.S. Government's interests, is applying pressure to prevent the Sandinist government from financing some of the basic needs of the workers. Addressing hundreds of teachers, Commander Ruiz said that the IMF is trying to prevent subsidies for transportation, for the price of basic grains and for a new wage policy that would allow the Nicaraguan Government to pay its foreign debts without delay.

According to Commander Ruiz, the IMF is an organization with enough economic power to subdue heads of state. Ruiz added, however, that the Sandinist revolution is based on principles that cannot be subdued. He said that the Sandinist revolution is being blackmailed because of its solidarity with the Palestinian people's cause and the Salvadoran people's struggle. We are not afraid of those threats, Commander Ruiz said. He also noted that the Nicaraguans support the Salvadoran people's struggle with body and soul, in the certainty that sooner or later the Salvadorans will be free as they are.

RELEASE OF SEVEN COLOMBIAN FISHERMEN ANNOUNCED

PA300304 Managua Radio Noticias in Spanish 1930 GMT 29 Jun 82

[Text] The seven fishermen captured in Puerto Cabezas on 2 June, when their lobster-fishing boat suffered mechanical problems, will be turned over to their country's embassy in Managua. Julio Cesar Aviles, chief of the Foreign Ministry's Consular Department, announced this, noting that he would contact the Colombian ambassador today. The Colombians were fishing near the Quitasueno and Serrana Cays, in Nicaraguan waters, when the Lobster Boy's engine broke down.

Our authorities discovered these fishermen, who had no documents, and gave them protection at the Puerto Cabezas command while their embassy issued them passports. The seven fishermen are expected to arrive in Managua tomorrow and will be turned over to the Colombian ambassador immediately. According to reports, the Lobster Boy's owner will have to come to Nicaragua to pay for the repairs.

REGIME CLASHES WITH ANTI-SANDINISTS REPORTED

PA012343 Panama City ACAN in Spanish 1652 GMT 1 Jul 82

[Text] Tegucigalpa, 1 Jul (ACAN-EFE) -- The Honduran newspaper LA PRENSA reported today that 40 Nicaraguan soldiers and 12 anti-Sandinist combatants died during the past few days in the mountains of Nueva Segovia, in northern Nicaragua. The newspaper says that it monitored radio transmissions from the Nicaraguan Democratic Forces (FDN), which reported attacks against the garrisons of Guanito, Pericuato, Paraíso and La Florida. The anti-Sandinists also blew up an armored personnel carrier in La Florida.

The rebels said that they took the Sandinists by surprise and withdrew only after the Sandinists responded with machinegun fire and with napalm from T-33 bombers and Soviet helicopter gunships. LA PRENSA report says that the FDN forces were led by Commander "Victor" and that the anti-Sandinists suffered very few losses in this clash.

STUDENTS HOLD DEMONSTRATION AGAINST GOVERNMENT

PA010440 San Jose LA NACION in Spanish 24 Jun 82 p 10-A

[Text] The first hostile demonstration against the Sandinist regime in the 3 years since the revolution took place occurred on the Wednesday before last in Managua, at the funeral services for three youths murdered by General Directorate of State Security [DGSE] agents. This information, which was censored by the Nicaraguan authorities, was reported in the 18-24 June edition of the weekly LA NACION INTERNACIONAL.

In open defiance of the emergency law (state of siege) that has been in force for the past 3 months and in the midst of a tense situation for the government, the people shouted slogans and asked that Commander Lenin Cerna, the chief of DGSE, be put before a firing squad. The funeral reminded everyone of the demonstrations carried out during the most difficult days of the Somozist regime. Most significant was the participation of the students, whom the Sandinists try in every way to control ideologically.

Confusion

Although the incident has not been clarified, it was said in Managua that the three young people in question had gathered at a house in the San Judas neighborhood, southeast of the capital. A patrol from the feared DGSE broke into the house, shooting and killing 17-year-old (Jose Antonio Robleto), 20-year-old (Sergio Mercado Madrigal) and 18-year-old (Edgar Martín Morales). The three youths were secondary school students.

According to the DGSE, the youths were getting ready to attack a Managua shopping center. The DGSE added that one of its members was wounded in the operation and that, despite the wound, he was able to eliminate them. The official newspapers described the dead youths as "weird people".

However, the families of the dead youths said that the three had met for a social gathering, that they were not carrying weapons and that they were very well behaved. The anti-Sandinist demonstration took place on the morning of Wednesday, 16 June. Some 3,000 youths walked the streets of the neighborhood in which the incident occurred before going to the cemetery. They shouted slogans, including "Enough of Sandinist military dictatorship," "Mangy dog murderers," and others. "Mangy dog" is the scornful word used by the Nicaraguan people to describe the Nicaraguan military men and FSLN followers in general.

Near the cemetery the demonstrators took out signs prepared in their classrooms with slogans like "Firing squad for Lenin Cerna." The coffins were covered with the blue and white Nicaraguan flag. The anger was noticeable among the youths, who not only defied the martial law but also disobeyed traffic laws and went out on the streets in an attitude of challenge to the authorities.

NATIONAL ASSEMBLY SESSIONS OPEN IN HAVANA

FL011633 [Editorial Report] In the course of its regularly scheduled program, "Revista de la Manana," Havana Domestic Television Service in Spanish at 1256 GMT on 1 July carries, live, the first minute or so of the opening of the second regular period of sessions of the People's Government National Assembly that will sit at Havana's Palace of Conventions until 3 July. Havana Domestic Television shows a view of the dais where the presiding officers are standing during the playing of the Cuban national anthem. The camera gives a good closeup of Cuban President Fidel Castro.

Live color coverage resumes at 1311 GMT. National Assembly President Flavio Bravo is reading a letter from Fidel Castro reporting on Council of State decisions in the past 6 months, namely the replacement of Serafin Fernandez Rodriguez by Manuel Vila Sosa as minister of domestic trade, and Santiago Riera Hernandez by Antonio M. Rodriguez Murrell as president of the State Committee for prices. The document is unanimously approved by the deputies.

Bravo then speaks briefly on the need for an agricultural-livestock cooperatives law and introduces Rene Penalver, chairman of the committee on food production charged with studying the bill. Penalver reads off the proposed changes and then debate opens on the amendments. The first point debated is whether the law should provide for cooperative unions or whether the section referring to these unions should be deleted because cooperative unions are still in the experimental stage. Just as Bravo asks Castro for his views, coverage ends at 1400 GMT.

Castro Comments

FL011645 Havana Domestic Service in Spanish 1500 GMT 1 Jul 82

[Text] Deputy Fidel Castro Ruz took part in the debate on the draft bill on agricultural-livestock cooperatives that is the subject of discussion right now for 448 deputies to the National Assembly in their second regular period of sessions. The sessions began at 0900 today at the Palace of Conventions.

After listening to the arguments of Deputies Jose Ramirez Cruz, Arnaldo Milian and Rene Penalver, our commander in chief spoke of the need to have an office in charge of agricultural-livestock production cooperatives. Several deputies from municipalities around the country also took part in the discussion. They emphasized the importance of the bill to regulate the establishment of agricultural-livestock production forms suited to the development of our economy. The electoral bill will be submitted for discussion and approval during the remainder of the day and a report will read on the liquidation of the state budget for 1981.

More on First Session

FL012347 Havana Domestic Service on Spanish 2300 GMT 1 Jul 82

[Excerpt] During the morning session, the law decrees and resolutions adopted by the Council of State as well as a message of congratulations to national poet Nicolas Guillen for his 80th birthday were approved unanimously.

During the afternoon session, which began at 1500, the deputies discussed and approved the people's government's electoral bill, and the report on the liquidation of the state's budget for the year 1961 [as heard] was read, National Assembly Vice President Jorge Lezcano read a declaration condemning the Israeli aggression against Lebanon and in support of the heroic struggle of the Palestinian people, which was unanimously adopted. At the recommendation of the Cuban Parliamentary Group, this declaration will be urgently sent to all parliaments in the world and to the Interparliamentary Union.

VENEZUELAN REPORTEDLY FAVOR IMPROVED RELATIONS

PA011620 Havana International Service in Spanish 0000 GMT 1 Jul 82

[Text] (Gustavo Parra Briceno), deputy director of the congressional [as heard], said in Caracas that his party favors a constructive dialogue with Cuba and the normalization of bilateral diplomatic relations.

Additionally, the Venezuelan newspaper EL NACIONAL said that the Democratic Action Party also favors normalizing Venezuela's relations with Cuba.

Pompeyo Marquez and Jesus Angel Paz Galarraga, secretaries general of the Movement for Socialism and the People's Electoral Movement, respectively, expressed support for the government statements favoring reestablishing normal relations with Cuba, and stressed the need for and advisability of these links at a time when the United States has disrupted the inter-American system by siding with the British aggressors against Argentina.

Earlier Jose Rodriguez Iturbe, a COPEI leader and president of the foreign relations advisory committee, said that the normalization of relations between Venezuela and Cuba would be advantageous for both countries and for Latin America, particularly at this time when it has become necessary to restructure the Latin American system. Rodriguez Iturbe said that the resolution adopted by the Coordination Bureau of the Nonaligned Movement regarding the Venezuela-Guyana territorial dispute and the recent visit to Cuba by Luis Alberto Machado, Venezuelan minister of state for intelligence development, are steps toward such a normalization of relations.

HAVANA REPORTS GUATEMALAN GUERRILLA ACTIVITIES

PA012016 Havana International Service in Spanish 0000 GMT 1 Jul 82

[Text] The Salvadoran News Agency SALPRESS today reported a recent attack by members of the Guatemalan Poor People's Guerrilla Army [EGP] against more than 350 soldiers from the police garrison of Santa Cruz, capital of El Quiche Department. The guerrillas kept the soldiers at bay for more than 5 hours.

Meanwhile, the Guatemala City newspapers were publishing a document from the Guatemalan Labor Party [PGT] condemning the alleged amnesty that the Rios Montt regime is trying to impose. The PGT likewise reiterated that it is determined not to lay down its arms and to continue its organized struggle using any and every means to attain its revolutionary objectives.

The publication of the PGT document, which was also read over radio and television, was one of the conditions set by the PGT for the release of the son of government minister Ricardo Mendez, who is in their hands.

From another quarter, the Guatemalan National Revolutionary Unity [URNG] blamed the Guatemalan regime for the murder of at least 500 Indians and accused it of using soldiers wearing civilian clothes to force at least 300 small landowners to abandon their lands. The URNG is formed by leaders of the PGT, the Armed Peoples Revolutionary Organization, the Rebel Armed Forces and the EGP.

BRIEFS

MEXICAN TECHNICAL ADVICE -- Mexico will provide technical advice to Cuba in the operation and construction of desalinization plants. President Jose Lopez Portillo has authorized the technical aid requested by Cuba. Mexico will provide construction plans to the Cuban Government to build the important plants. [Havana Domestic Service in Spanish 1000 GMT 1 Jul 82 FL]

INTER-AMERICAN AFFAIRSMINISTERS DISCUSS ISTHMIAN FREE TRADE ZONE ISSUE

PA012221 San Pedro Sula TIEMPO in Spanish 30 Jun 82 p 9

[Text] The chances of establishing a free trade zone among Honduras, Guatemala and El Salvador will be assessed as a result of a meeting between businessmen and officials from the Honduran, Guatemala and Salvadoran economy ministries. Mario Perdomo, director general of the Honduran tax office; Julio P. Matheu, Guatemalan economy minister; Jose Manuel Pacos, Salvadoran economy minister [as published], and several businessmen attended the meeting, held in Guatemala over the weekend.

At the brief meeting the government officials and businessmen outlined a "plan to initiate a process of political and economic integration to promote the three countries' development." The initial purpose of the talks will be to assess the chances of creating a free trade zone among the three countries. To this end, the problems impeding the free movement of people and the exchange of capital and goods will be analyzed and specific recommendations will be made toward solving the problems with governmental decisions. The three countries' representatives also agreed to extend any measures adopted to other countries in the area, if and when positive results are obtained.

According to reports, the meetings will continue in Tegucigalpa on 16 July, for discussion of the possibility of establishing a free trade zone.

COLOMBIALAWYERS CHALLENGE RULE ENDING STATE OF SIEGE

PA012257 Paris AFP in Spanish 1421 GMT 30 Jun 82

[Text] Bogota, 30 Jun (AFP) -- The government decree cancelling the state of siege in Colombia 10 days ago was challenged before the Supreme Court today as unconstitutional, it was reported. A writ of challenge states that Liberal President Julio Cesar Turbay Ayala's government cannot guarantee the Colombian people that it can keep the peace and prevent possible disturbances of order.

A group of lawyers, all experts in constitutional law, have also claimed that the end of the state of exception was irregular because it became effective 5 days after the decree was issued. It was recalled that President Turbay issued the decree cancelling the state of siege on 16 June 1982 and that this decree only became effective 5 days later.

The challenge of unconstitutionality against this decree could, for the first time in Colombia, reestablish the state of siege if the court considers it valid. The state of siege has been in force in Colombia for the last 34 years, almost without interruption. The government cancelled it 10 days ago after concluding that "the disturbances of order had disappeared." However, after eight soldiers were killed and several peasants were "executed by firing squads" of guerrillas, a group of lawyers decided to challenge the decision.

The challengers noted that the guerrilla actions demonstrate that the government simply cannot guarantee that peace and order will be maintained. Turbay cancelled the state of seige in concurrence with his successor, Conservative Belisario Betancur, who will take office for 4-year term on 7 August.

DOMINICATIGHTENED SECURITY LAWS TO COUNTER LEFTISTS

FL011625 Bridgetown SUNDAY ADVOCATE NEWS in English 27 Jun 82 p 3

[Text] Roseau Dominica Saturday (CANA) -- Dominica is to introduce legislation making it a treasonable offence for anyone to make statements endangering national security, Attorney General and Minister of Legal Affairs Ronan David has said.

Speaking in Parliament Mr David made reference to a statement, in which a top official of the left-leaning Dominica Liberation Movement Alliance (DLMA) and General Secretary of the Dominica Farmers Union (DFU) Richard Charles, allegedly invited Soviet assistance for a revolution here and in the rest of the Caribbean.

Prime Minister and Minister of Security Eugenia Charles first raised the issue on the House of Assembly accusing Mr Charles of saying in a radio interview emanating from Cuba and aired on Soviet radio on May 23, that "comrades" in Dominica would welcome assistance "in a revolutionary uprising in Dominica and the rest of the democratic countries of the whole Caribbean." Both Mr Charles and the DLMA have denied the allegation.

MEXICO

SECRETARIAT FEARS NUCLEAR THREAT TO ENVIRONMENT

FL011245 Mexico City NOTIMEX in Spanish 0158 GMT 1 Jul 82

[By Mario Luis Altuzar]

[Excerpts] Mexico City, 30 Jun (NOTIMEX) -- Mexico maintains the view that nuclear military arsenals are a threat to the environment and to the security of the species, the Foreign Relations Secretariat announced today. The Mexican Foreign Secretariat indicated that Mexico has always participated actively in efforts to guarantee ecological and environmental preservation, both of which are vital to the development of mankind.

The secretariat noted that it has urged governments and the international community to strive to curb the arms race "in order to prevent further deterioration of the environment." It added that the greatest danger to ecology is the possibility of a worldwide conflagration.

PERU

MINISTRY PROMOTING STUDY OF REGIONAL SYSTEM

PY011541 Tacna Radio Tacna in Spanish 1200 GMT 1 Jul 82

[Text] Foreign Minister Javier Arias Stella has announced that the Peruvian Foreign Ministry is making a thorough study of the inter-American system as a result of the events in the South Atlantic. The study is aimed at gathering experience and updating it with a view toward taking a position regarding the future of Latin America.

The Foreign Minister said this position will be conveyed to the governments of other Latin American countries, which will be asked to submit plans so that after reaching an agreement a call for a foreign ministers meeting can be made. (Jorge Yuza), vice minister of foreign relations, and well-known specialists in Peruvian diplomacy are taking part in the study.

VENEZUELA

NEW DEFENSE MINISTER, ARMY OFFICIALS APPOINTED

PA012141 Buenos Aires LATIN in Spanish 1759 GMT 1 Jul 82

[Text] Caracas, 1 Jul (LATIN-REUTER) -- General Vicente Narvaez Churion today assumed the post of defense minister in President Luis Herrera Campins' cabinet. Narvaez Churion replaces Gen Bernardo Leal Puchi, who has retired after 30 years' service. The new defense minister previously held the post of commander-in-chief of the army. He was replaced in that post yesterday by Maj Gen Luis Octavio Romero.

[Caracas Radio Continente Network in Spanish at 2100 GMT on 30 June, reporting on Div Gen (Humberto Alcalde Alvarez) was appointed Army General Staff chief; Div Gen (Eduardo Roman Calderon Gody) army inspector general; Brig Gen (Luis Jose Silva Tirado) chief of the Strategic Army Command and Brigadier Generals (Jose Antonio Lavarría) and (Luis Felipe Lanz Castellano), commanders of the 1st and 4th Infantry Divisions, respectively.]